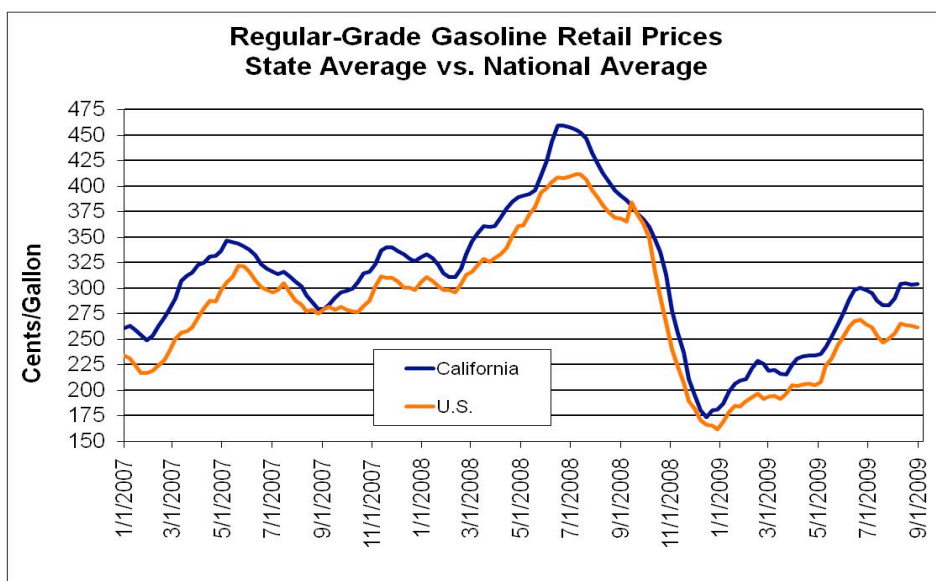
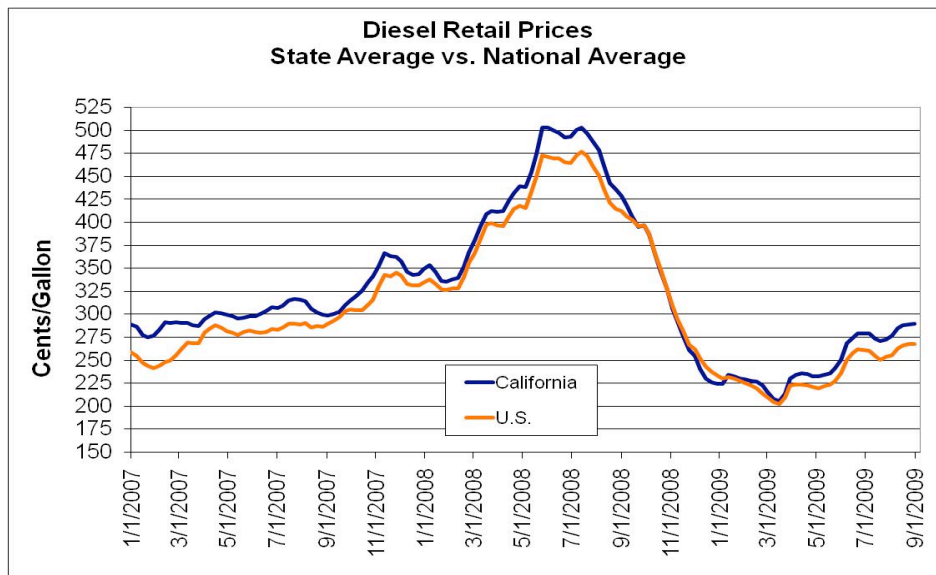


Retail Gasoline and Diesel Prices on August 31

- The average California **retail price for regular-grade gasoline** increased 1 cent from last week to \$3.04 per gallon. California prices are \$1.55 below their peak of \$4.59 on June 16, 2008, but 14 cents higher than a month ago.¹
- The difference between California and U.S. retail gasoline prices increased 8 cents from a month ago to 42 cents per gallon. U.S. gasoline prices increased 5 cents since last month to \$2.61 and are \$1.07 less than this time last year.

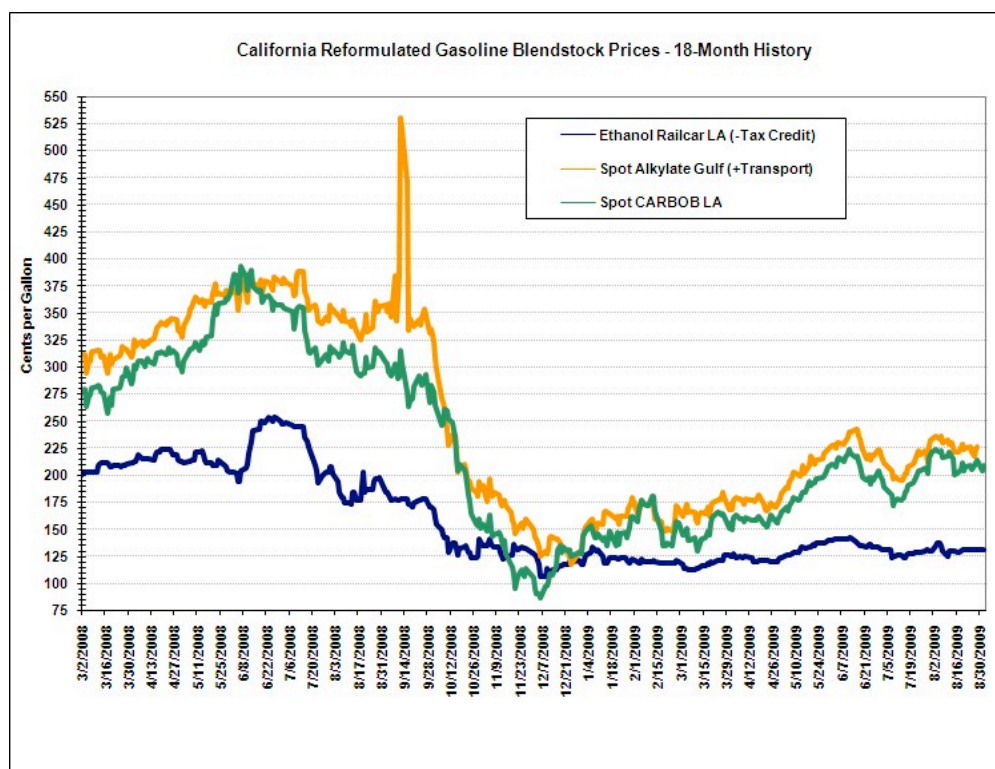


- The average California **retail diesel price** increased 13 cents since last month to \$2.89 per gallon. The U.S. retail diesel price rose 12 cents from a month ago to \$2.67 per gallon.



Wholesale Gasoline, Diesel, and Blendstock Prices on September 1

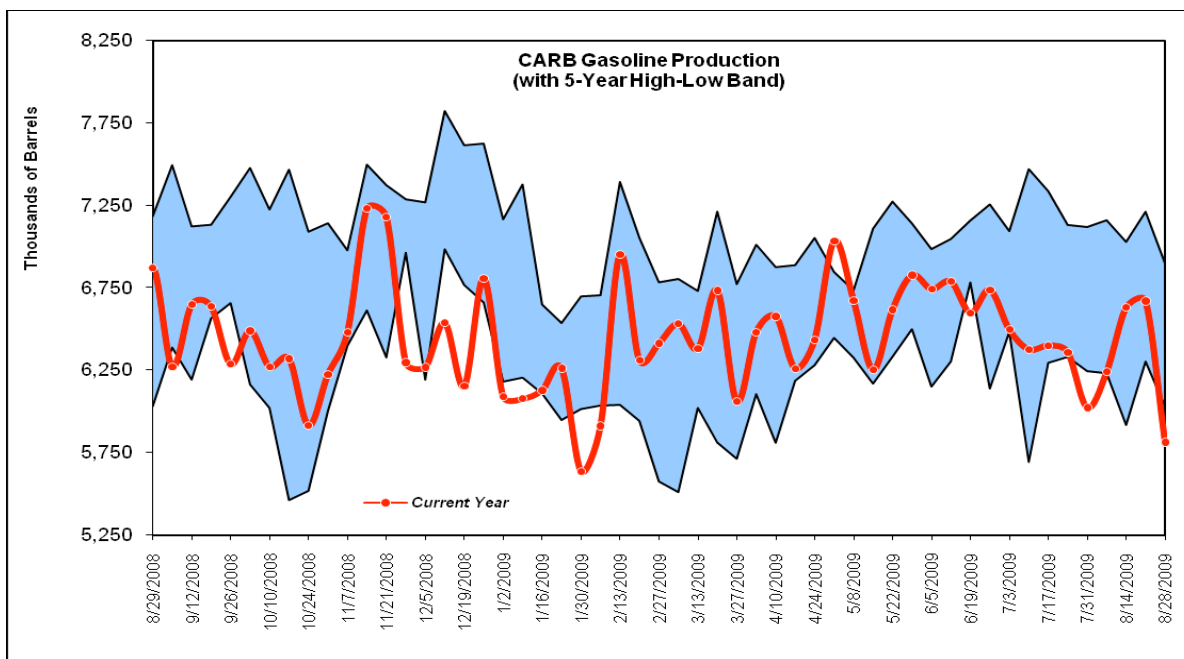
- Wholesale prices have fallen due to decreasing crude oil prices and an anticipated drop in driving after Labor Day weekend.
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) fell to \$2.01, 21 cents per gallon less than a month ago and \$1.03 less than the same time last year.
- Spot prices for RBOB in Los Angeles are 4 cents per gallon more than New York Harbor and 30 cents more than the Gulf Coast.
- California spot **wholesale ultra-low-sulfur diesel prices** have fallen to \$1.80, 14 cents less than last month and \$1.28 less than the same time last year.
- California wholesale ultra-low-sulfur diesel prices are 7 cents more than the Gulf Coast and 5 cents more than New York Harbor.
- California **spot wholesale prices for fuel ethanol** fell 6 cents from last month to \$1.32 per gallon.²



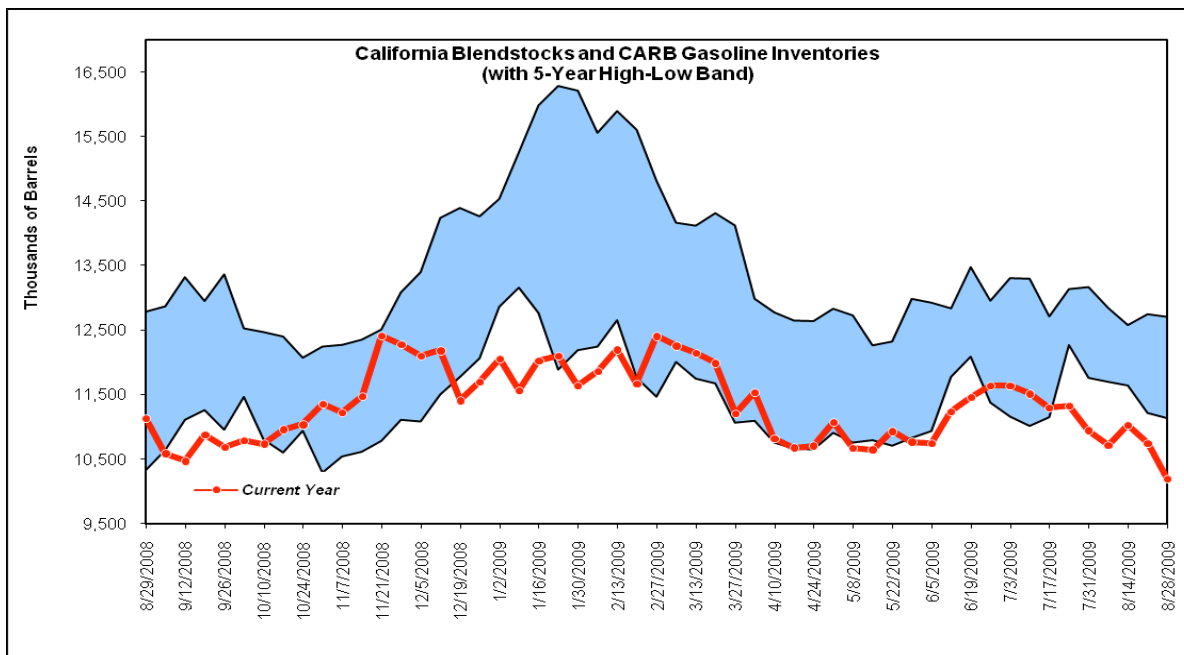
- The Energy Information Administration's (EIA) weekly report for the week ending August 28 shows that **U.S. gasoline demand** increased 4.1 percent, and distillate demand increased 2.5 percent from the previous week. The four-week average demand for gasoline is 9.2 million barrels per day, 2.6 percent less than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.4 million barrels per day, 20.3 percent less than the same period last year.

Refinery Production and Inventories

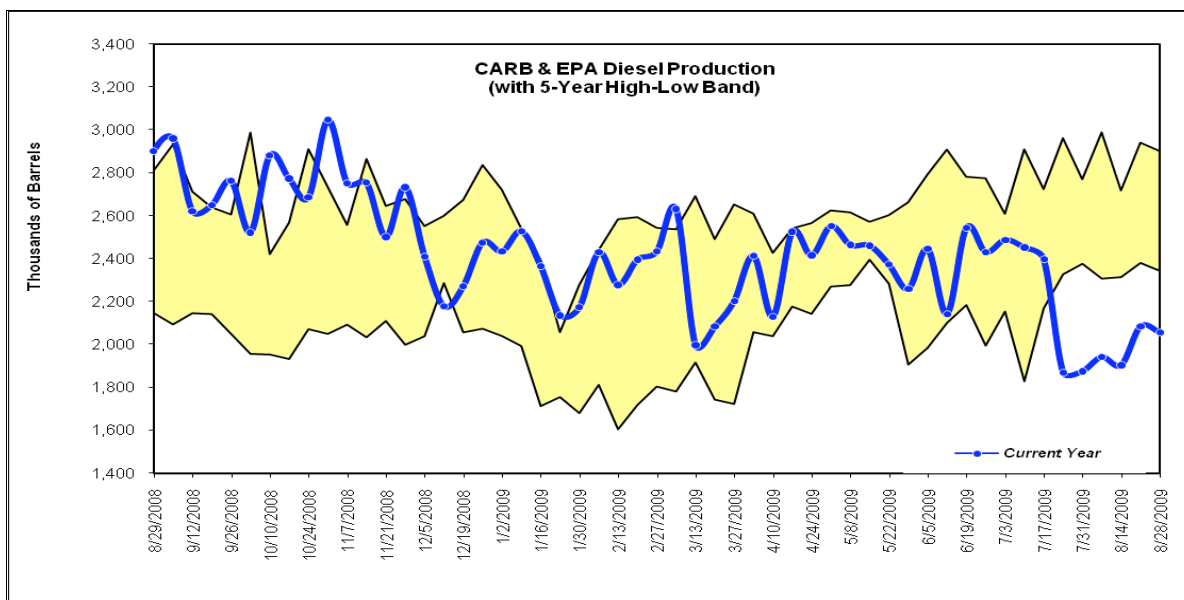
- **Reformulated gasoline** production in California for the week ending August 28 decreased 12.9 percent from the previous week to 5.8 million barrels, falling below the five-year range and 15.4 percent lower than a year ago.³



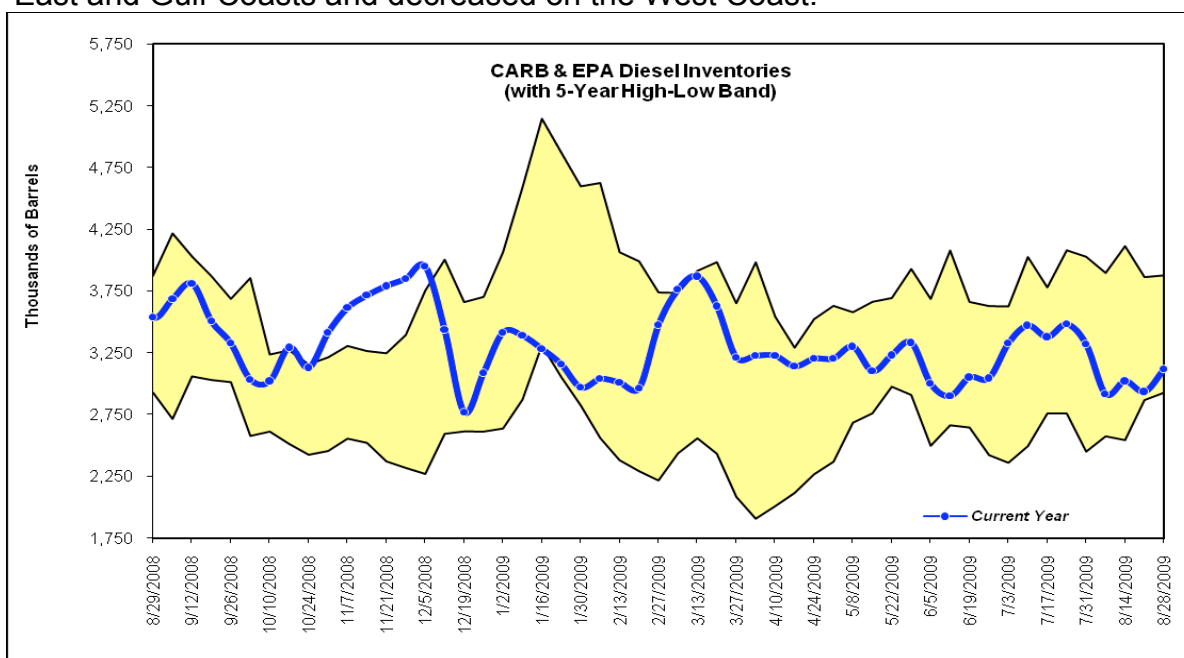
- California reformulated gasoline inventories decreased by 11.6 percent from last week while gasoline blendstock inventories increased 0.3 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state decreased by 5.1 percent to 10.2 million barrels, remaining well below the five-year range.



- U.S. gasoline inventories as of August 28 decreased to 205.1 million barrels, 3 million barrels less than the previous week. Inventories increased on the West Coast and decreased on the East and Gulf Coasts.
- California **ultra-low-sulfur diesel fuel production**, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, decreased to 2.1 million barrels during the week ending on August 28, 1.3 percent less than the previous week and remaining well below the the five-year range.

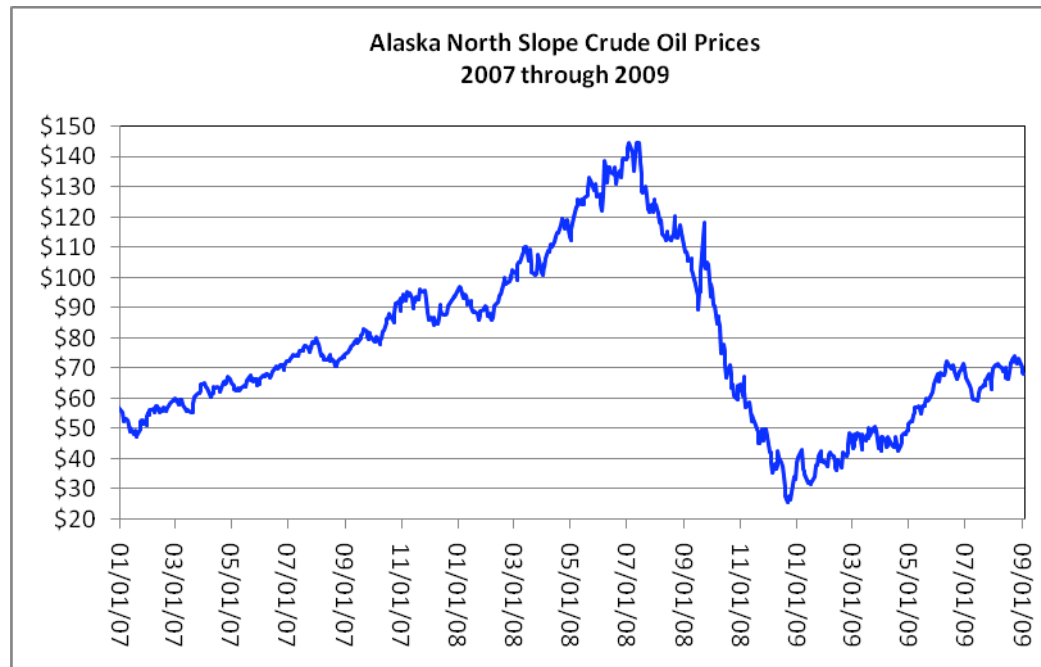


- **Combined ultra-low-sulfur diesel inventories** in California increased 6.2 percent from the previous week to 3.1 million barrels but remain near the bottom of the five-year range. Total U.S. distillate inventories as of August 28 rose to 163.6 million barrels, 1.2 million barrels more than the previous week. Inventories increased on the East and Gulf Coasts and decreased on the West Coast.



Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, reached a record high of \$144.59 per barrel on July 3, 2008, but then plunged to \$25.81 on December 22. More recently, prices reached a 2009 high of \$74.22 per barrel on August 24 but have since decreased to \$68.38 on September 2, \$3.24 lower than last month and \$40.33 lower than a year ago.⁴ An increased IEA oil consumption forecast and decreased inventories have put upward pressure on oil prices, while OPEC production increases and a stronger dollar have put downward pressure on prices.



- U.S. commercial crude oil inventories as of August 28 fell by 372,000 barrels from the previous week to 343.4 million barrels. Crude oil stocks are 39.5 million barrels more than this time last year and 30.1 million barrels more than the five-year average for this date. California crude oil stocks rose 9.5 percent from the previous week to 18.9 million barrels and are 20.7 percent more than last year.

¹ Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

² Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

³ California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

⁴ ANS crude oil prices are from *The Wall Street Journal*.